

Total returns[†]

At 31 May 2026	1 Mth %	3 Mths %	1 Yr %	3 Yrs % p.a.	5 Yrs % p.a.	10 Yrs % p.a.	Incep % p.a. (Dec 2000)
OC Dynamic Equity Fund	2.9	(2.3)	3.4	5.6	4.2	8.1	11.0
S&P/ASX Small Ordinaries Accumulation	2.0	(6.1)	11.2	10.6	4.0	7.1	6.1
Outperformance	0.9	3.9	(7.9)	(5.1)	0.2	1.0	5.0
S&P/ASX Small Industrials Accumulation	1.7	(4.5)	(2.4)	5.6	0.2	4.6	5.5
Outperformance	1.2	2.2	5.8	0.0	3.9	3.5	5.5

Performance review

Australian small-cap equities bucked a challenging backdrop — Middle East ceasefire uncertainty, mounting macro headwinds, and a business and investor-unfriendly federal budget — to post a +2.0% gain in May. The OC Dynamic Equity Fund returned +2.9%, moderately ahead of the S&P/ASX Small Ordinaries Accumulation Index despite a large regulatory-driven fall in key holding Tuas Limited which was more than offset by the strong performance across the balance of the portfolio.

Tuas Limited (TUA, -65.0%) suffered one of the most severe single-session collapses in recent ASX memory after Singapore's IMDA suspended its M1 acquisition review, citing allegations that Simba had been operating on unlicensed spectrum. With conditions precedent unfulfilled by the 21 May long-stop, the transaction was terminated. Although the regulatory cloud remains unresolved, we believe the current share price excessively discounts the likely penalty for the company.

Megaport (MP1, +69.4%) re-rated sharply after Latitude.sh secured three AI infrastructure contracts worth a combined US\$182.9 million, representing US\$65.2 million in annualised recurring revenue once deployed. **Infratil (IFT, +28.8%)** was buoyed by CDC signing Australia's largest ever data centre contract, a 555MW deal taking total contracted capacity beyond one gigawatt, with FY28 EBITDAF now expected to exceed A\$1 billion. The hyperscaler demand runway gives us confidence the re-rate has further to run.

Outlook

Three forces are likely to shape the near-term direction of Australian equities: the inflation trajectory and the RBA's response to it, the market's digestion of a reform-heavy federal budget, and the unresolved Middle East conflict that continues to lift energy prices and feed second-round effects through the cost base.

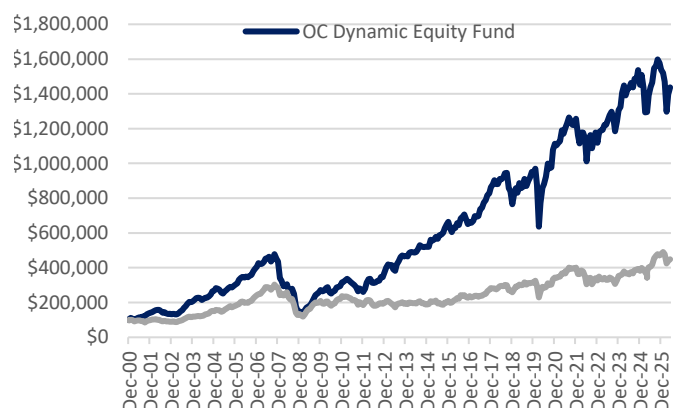
Domestically, conditions remain challenging. The RBA lifted the cash rate 25 basis points to 4.35% in May, its third consecutive hike, fully unwinding last year's easing as it confronts capacity pressures compounded by the oil shock. There was, however, an encouraging signal when April CPI eased to 4.2% from 4.6%, landing below forecasts and giving the Board scope to pause in June. Less helpful was Treasurer Chalmers' 12 May budget — framed as a "hard road to reform" — which delivered negative gearing changes on established dwellings, a tighter CGT discount and a new tax on discretionary trust distributions. However well intentioned the government believes these changes to be, the package erodes after-tax returns, blunts

investment incentives and adds a clear drag for property, financials and savings-linked sectors, with the fuel excise relief offering only a modest and temporary offset against the energy shock.

The contrast with the US is stark. With Kevin Warsh now installed as Fed chair, the market has settled around a steady federal funds rate for the balance of the year, pricing neither hikes nor cuts. US equities have powered to fresh records — the S&P 500 up around 5% and the Nasdaq more than 8% — driven by relentless AI infrastructure spend, while America's energy independence leaves it largely insulated from the oil shock now buffeting Australia. That combination of policy stability and a homegrown growth engine stands in sharp relief to Australia's own predicament and the Fund's stock positioning is reflective of this dynamic.

Encouragingly, the local market is showing resilience beneath the surface. The ASX 200 added 1.15% in May and the Small Ordinaries outpaced it at 2.0%. If the RBA is near its peak and the energy shock fades, the backdrop favours disciplined, bottom-up stock selection — precisely the conditions in which quality small and mid-caps tend to re-rate.

Performance Comparison of \$100,000 Since Inception*



Top 5 holdings[#]

Company	ASX Code
Breville Group Limited	BRG
Genusplus Group Ltd	GNP
Kelsian Group Limited	KLS
NRW Holdings Limited	NWH
ZIP Co Limited.	ZIP

* The top 5 portfolio holdings are in alphabetical order and may not be representative of current or future investments.

Key Facts

Fund Overview

The Fund is a long-only, benchmark-unaware unit trust. It primarily invests in 30 to 50 quality small to medium-sized Australian companies with sustainable business models, quality management and attractive investment fundamentals that are listed, or about to list, on the ASX. The Fund can also invest up to 20% of total capital in either smaller emerging leaders businesses (\$50 million to \$350 million market capitalisation) and/or event-driven positions (companies expected to benefit from an upcoming catalyst or undergoing a positive change).

Responsible entity

Copia Investment Partners

Inception date

December 2000

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Investment time frame

At least 5 years

Minimum investment

Initial: \$20,000

Additional: \$5,000

Distribution

Yearly

Management fee

1.72% p.a. (including GST net of RITC)

Performance fee

20.5% (including GST net of RITC) of the amount of excess performance in any financial year, subject to a high-water mark.

Performance hurdle

The greater of the net asset value of the Fund at the beginning of the year plus 15% p.a., or the high-water mark.

High-water mark

Yes

Typical Investment Exposure

Cash	0%-20%
Equities	80%-100%
Including:	
S&P/ASX 100 Constituents	0%-20%

Platforms

BT Panorama | HUB24 | Insignia (Expand) | Xplore (Linear) | Macquarie | MLC/Navigator | Netwealth | Powerwrap | Praemium | Mason Stevens



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*The total return performance figures quoted are historical, calculated using end-of-month hard-close mid-prices and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. The index does not incur these costs. This information is provided for general comparative purposes. * The performance comparison of \$100,000 over 10 years is for illustrative purposes only. All returns shown are based on Australian dollar figures. Past performance is not a reliable indicator of future performance. The total returns shown are prepared on an ongoing basis (i.e. they include all ongoing fees and expenses and assume reinvestment of all distributions). They do not take personal taxation into account. The comparison with the S&P/ASX Small Ordinaries Accumulation Index is for comparative purposes only. Index returns do not allow for transactional, management, operational or tax costs. An index is not managed and investors cannot invest directly in an index.

Past performance is not a reliable indicator of future performance. Positive returns, which the OC Dynamic Equity Fund (the Fund) is designed to provide, are different regarding risk and investment profile to index returns. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this article, readers should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) is the issuer of the OC Dynamic Equity Fund (ARSN 098 644 681). A current PDS is available from Copia located at Level 47, 80 Collins Street (North Tower), Melbourne VIC 3000, by visiting ocfunds.copiapartners.com.au or by calling 1800 442 129 (free call). A person should consider the PDS before deciding whether to acquire or continue to hold an interest in the Fund. Any opinions or recommendation contained in this document are subject to change without notice and Copia is under no obligation to update or keep any information contained in this document current.

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